

NEWSLETTER

INTERNATIONAL

 ENGLISH VERSION

LITHUANIA



## UPDATE LITHUANIA: ENHANCED PARTNERSHIP

P. 2



### INTERVIEW:

**Kateryna Aleksyuk**

"BALTIC COMPANIES PREFER TO HIRE EXECUTIVES FROM THEIR OWN COUNTRY" ►

P. 4



**Dominic Otto**

"LITHUANIA IS INCREASINGLY SEEN AS A STRATEGIC PARTNER" ►

P. 6



### OVERVIEW:

**Hans Lauschke**

THE ROLE OF A MANAGING DIRECTOR IN LITHUANIA: BETWEEN EMPLOYMENT AND CORPORATE LAW ►

## “BALTIC COMPANIES PREFER TO HIRE EXECUTIVES FROM THEIR OWN COUNTRY”

**Kateryna, how would you describe the current economic situation in Lithuania, particularly in terms of the demand for executives?**

Lithuania is showing positive economic indicators, which are driving an increase in demand for qualified executives.

According to the Ministry of Finance of Lithuania, GDP growth in 2025 is projected to be 2.8%. This growth is stimulating business expansion, which, in turn, raises the need for experienced leaders who can effectively manage the development of companies.

**What are the typical requirements of international companies looking for executives in Lithuania?**

Companies are looking for executives with international experience, strong leadership qualities, the ability to manage multicultural teams effectively, and strategic thinking skills. Specialists with extensive working experience in sectors such as finance, technology, or manufacturing are highly valued.

A key requirement is a post-graduate education, which demonstrates in-depth knowledge and expertise in the field. For example, graduates of the BMI Executive Institute are highly valued and in demand in Lithuania. Additionally, experience in a corporate culture similar to that of the company is an important criterion. Candidates are expected to be flexible, with strong skills in digital technologies and leadership.

**What trends are you seeing in salary development and the expectations of Lithuanian candidates?**

Salaries for executives in Lithuania are increasing, especially in sectors related to IT and financial technologies. Starting from January 2025, the minimum monthly wage has increased by 12.3%.

In addition to competitive salaries, candidates also prioritize flexible working conditions, performance-based bonuses, and clear opportunities for professional growth. There is also growing interest in strong corporate culture, employee well-being, and a healthy work-life balance.



**Kateryna Aleksyuk**  
Director Ukraine & Baltics,  
Vilnius

## **What are the main challenges in finding executives in the Baltic States, and how do they affect the candidate search process?**

In the Baltic States, there is a tradition where companies prefer to hire executives from their own country. This is influenced not only by language barriers but also by a deeper understanding of local corporate culture, business practices, and regional market realities. Local executives are able to connect more easily with teams and have a better understanding of market specifics.

CT Executive Search has been a trusted partner to many companies hiring across the EU. With over a decade of experience, we deliver exceptional results through efficient, targeted executive recruitment. Our dedicated teams in each country speak the local language and possess in-depth knowledge of regional markets and cultural nuances. By leveraging a trusted network of industry contacts and our specialized expertise, we consistently identify top executive talent. This proven efficiency has earned the trust of our clients and established us as a reliable long-term recruitment partner.

## **What recruitment strategy does CT Executive Search use in finding the right executives for Lithuanian and international companies?**

As the Director in the Baltics and Ukraine, I take pride in the fact that our team has a strong network and trust among business owners, executives, and candidates. We are always focused on a personalized approach, thoroughly analyzing each client's needs and considering their corporate culture. Thanks to our strong network and high reputation, we are able to find candidates who not only meet professional requirements but also align with the corporate environment.

## **How can CT Executive Search support Lithuanian companies with its international capabilities?**

CT Executive Search is an international company with a global network and experience in different markets. We can support Lithuanian companies by attracting experts from around the world, which is particularly important for businesses aiming to expand internationally.

Thanks to our international connections and deep understanding of regional specifics, we provide access to a global talent pool, which helps strengthen internal teams and successfully expand the company's presence on the international stage.

---

## “LITHUANIA IS INCREASINGLY SEEN AS A STRATEGIC PARTNER”

**Could you comment on the German business community's presence in Lithuania, as well as the key sectors driving economic cooperation between Germany and Lithuania?**

German business is especially well represented in Lithuania in the fields of metal processing and the automotive industry. Companies such as Hella and Continental operate production facilities in Lithuania and are among the most important German investors in the country. The IT sector is also developing dynamically: more and more German companies are investing in this area, as Lithuania has become a center for innovation, with a growing number of start-ups and investments in digital infrastructure. We see great potential here. In addition, other sectors offer promising investment opportunities, including cleantech, cybersecurity, e-mobility, MedTech, and game development.

Another growing area is the defense industry, which is gaining importance due to the geopolitical situation. For example, Rheinmetall is currently building a munitions factory in Lithuania, and other German companies in this sector have already shown concrete interest in investment and cooperation. Also, the German bank Commerzbank is once again active in the Baltics. As the first German bank in the region in many years, it plays an important role in supporting bilateral economic exchange and symbolizes the revitalization of economic relations between Germany and the region.

Overall, the greatest potential currently lies in the areas of technology and defense—two sectors that form the foundation for further growth in German-Lithuanian economic relations.

**How has the geopolitical situation regarding Russia and Belarus affected the Lithuanian economy?**

Geopolitical tensions and EU sanctions against Russia and Belarus have affected trade relations in the region and led to higher costs. On the other hand, after the last election in Belarus, there was an increase in the immigration of qualified professionals to Lithuania—especially in IT. This development has invigorated the Lithuanian labor market and further advanced technological progress. The Russian attack on Ukraine led to temporary disruptions in transport, but had no serious long-term impact on the overall Lithuanian economy.

A significant step took place in February 2025: Lithuania, together with the other Baltic states, disconnected its electricity grids from the Russian and Belarusian networks and joined the continental European power grid.



**Dominic Otto**

Deputy Managing Director  
of the German-Baltic  
Chamber of Commerce,  
Lithuania Office

## **What role does nearshoring play in Lithuania, and what advantages does the location offer international companies?**

Lithuania is becoming increasingly important as a nearshoring location for German companies, especially in supply and contract manufacturing. Proximity to Germany enables shorter supply chains, providing greater security and flexibility. The site advantages include:

- Shorter transport routes within Europe for faster and more cost-efficient deliveries.
- Highly qualified professionals, well suited for complex industrial and technological tasks.
- EU membership, ensuring customs-free trade and full regulatory compatibility.
- Competitive labor costs, lower than in Germany, but with European quality standards.

Nearshoring in Lithuania allows German companies to become less dependent on distant suppliers—such as those in Asia—and to make their supply chains more resilient.

## **What challenges do you see for German companies wanting to operate in Lithuania?**

There are indeed some challenges:

- Rising labor costs: While wages in Lithuania are still lower than in Germany, they are steadily increasing as the economy grows. Compared to Asian markets, this can raise investment and procurement costs.
- Skills shortages: Despite the high qualification of the workforce, there is a shortage of skilled workers, especially in technical professions. Reasons include a low birth rate and the migration of qualified workers to other EU countries.

## **What prospects do you see for German-Lithuanian economic relations?**

The outlook is very positive. Lithuania is increasingly in the focus of German companies—not least due to Germany's growing military presence in the country, and the entry of major German corporations such as Rheinmetall. The country is increasingly seen as a strategic partner—both economically and politically. The growing presence of German companies and closer economic cooperation will, in the long term, not only strengthen bilateral economic relations, but also further solidify Lithuania's European integration.

---

## The Role of a Managing Director in Lithuania: BETWEEN EMPLOYMENT AND CORPORATE LAW

The legal status of a managing director in Lithuania is characterized by a dual relationship. On the one hand, the managing director acts as a representative of the company on a corporate law basis. On the other hand, Lithuanian law requires that an employment contract must be concluded with the managing director. This creates an additional employment relationship—even if the managing director is also the sole shareholder.

### The Interaction between Employment and Corporate Law

This dual relationship leads to a complex regulatory framework. As a rule, the managing director is considered an employee under labor law, although, there are numerous exceptions. For example, the managing director is subject to Lithuanian minimum wage regulations, with corresponding social security and tax implications. Since the minimum wage only applies to simple, unskilled activities, the remuneration of a managing director must be at least slightly above this threshold—whether based on the minimum hourly wage or the monthly minimum wage. Maximum working hours and minimum rest periods generally apply as well. However, there are no fixed lower limits; depending on the agreement, only a few hours per month may be stipulated, as long as the salary exceeds the minimum hourly wage.

### Vacation, Public Holidays, and Overtime

Like regular employees, managing directors are entitled to paid vacation. Work on public holidays, weekends, or at night, as well as overtime must be documented. However, compared to regular employees, additional compensation is only required if expressly agreed upon.

### Non-Compete Clause: Loyalty Meets Legal Grey Area

The distinction between employment and corporate law becomes particularly blurred regarding non-compete clauses. In Lithuania, employees are generally allowed to compete with their employer during the employment relationship. A non-compete clause is only valid if it is expressly agreed upon by the parties involved and accompanied by compensation amounting to no less than 40% of the employee's average salary. Exceptions apply if the salary is at least twice the national average (according to the statistics office), and additional measures to safeguard employee interests are implemented—such as granting extra vacation days as a form of compensation. This also applies to managing directors, who are also subject to particularly high duties of loyalty toward the company. In the absence of a contractual agreement, each case must be assessed individually to determine whether competitive conduct constitutes a breach of the corporate duty of loyalty.



**Hans Lauschke**

Associate at bnt attorneys  
in CEE, Vilnius office

## **Liability: Employee Privileges vs. Corporate Responsibility**

Liability is also difficult to separate. Full liability agreements are not permitted under labor law. An ordinary employee is liable for breaches of duty up to a maximum of three average monthly salaries, or six in cases of gross negligence. Deviations are only possible if the salary is at least twice the national average and a balancing of interests occurs. This also applies in principle to managing directors. In the event of damage, it must be examined on a case-by-case basis whether the breach of duty was of an employment or corporate nature—a distinction that is often complex. The situation is clearer only in certain cases, such as late filing for insolvency, which is clearly attributed to corporate responsibility.

## **Dismissal: Employment Law vs. Removal from Office**

A dual system also applies to dismissal. Although the managing director is generally protected against dismissal under labor law, he or she can be removed from office at any time under corporate law—which, unless otherwise agreed, automatically leads to the termination of the employment relationship. Thus, employment law protection against dismissal can be completely circumvented via corporate law.

## **Conclusion: Managing Director as a "Light Version" of an Employee**

The managing director in Lithuania is a kind of "light version" of an employee. While subject to labor law, numerous special provisions apply due to the corporate position. A clear separation between employment and corporate law duties is only possible in some cases. In particular, with regard to non-compete clauses and liability, each case should be carefully examined and, if necessary, legal advice should be sought.

---



## EXECUTIVE SEARCH

### EXECUTIVE SEARCH EXPERTS IN EASTERN EUROPE AND THE EMERGING MARKETS

**CT Executive Search** focuses on placing key positions in Eastern Europe and the Emerging Markets – in CIS, Africa, the Middle East and Asia. We are experts in cross-border search processes and identifying high-performing candidates, adding value to international companies. Leveraging a broad network of analysts and consultants across Eastern Europe and the emerging markets, CT Executive Search has established itself as a reliable partner to well-reputed multinational companies.

#### BERLIN

CT Executive Search Europe GmbH  
Central Office  
Französische Str. 12  
10117 Berlin, Germany  
Telephone: +49 30 201 88 370  
E-mail: [office@ct-executive.com](mailto:office@ct-executive.com)

- ★ CT Executive Search Central Office
- CT Executive Search Liaison Locations
- International Partner Offices/ Research Capacities

